

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 7511**

**BILL NUMBER:** HB 1521

**NOTE PREPARED:** Jan 6, 2005

**BILL AMENDED:**

**SUBJECT:** Conduct of Lottery Games.

**FIRST AUTHOR:** Rep. Alderman

**BILL STATUS:** As Introduced

**FIRST SPONSOR:**

**FUNDS AFFECTED:**     **GENERAL**  
                              **X DEDICATED**  
                              **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** The bill requires the State Lottery Commission to use numbered balls and machines to conduct lottery drawings. The bill also voids a conflicting administrative rule.

**Effective Date:** July 1, 2005.

**Explanation of State Expenditures:** *Summary:* The Hoosier Lottery could potentially incur additional administrative expenses in changing from its current format of winning number drawings using a computerized random number generator to a drawing format using numbered balls and machines. The additional operational cost relating to the drawing format change is indeterminable. However, any additional operational expenses resulting from the drawing format change would reduce net income to the state from the Hoosier Lottery.

*Background:* The bill requires the Hoosier Lottery to use numbered balls and machines to conduct lottery drawings and voids a current administrative rule to the extent that it conflicts with this requirement. According to the Hoosier Lottery, drawings for all games except Powerball are conducted in Indianapolis at Hoosier Lottery Headquarters or the site of the Lottery's on-line vendor, Scientific Games. Winning numbers are drawn through a computerized random number generator. Each drawing is video taped and monitored by Hoosier Lottery security and a representative from an independent auditing firm.

A current administrative rule of the Hoosier Lottery provides that a drawing is a procedure for the selection of prize winners by either: (1) the selection at random of one or more number-coded items from a container into which those items have been placed; or (2) the selection of numbers through the use of a random number

generator computer software program.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Hoosier Lottery.

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** Jim Landers, 317-232-9869.